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ABSTRACT

Information on tuition reimbursement policies for employers near Wisconsin colleges is presented. Of the 26 campuses surveyed, six University of Wisconsin campuses had completed formal surveys of local employers: campuses at Madison, Oshkosh, Parkside, Green Bay, Manitowoc County, and Sheboygan. Profiles of the six campuses that completed surveys are presented. The profiles provide the following information: purpose of the survey, the office completing the survey, date completed, survey procedure, response rate, results, use of the survey findings, the title of the survey and bibliographic information, and comments. For the campuses that did not complete their own surveys of employer policies, information is provided on uses of information on tuition reimbursement and problems associated with a tuition reimbursement survey. Previous research on employer-sponsored tuition reimbursement is reviewed with attention to: reports of surveys of companies or unions, studies of employees' use of plans and barriers to use, benefit studies, and reports of efforts to increase employee use of tuition reimbursement. The survey questionnaire and suggestions for increasing employees' use of tuition aid plans are appended. (SW)

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# Employer-Sponsored Tuition Reimbursement in Wisconsin

Wisconsin Manpower Council

November 1983

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# EMPLOYER-SPONSORED TUITION REIMBURSEMENT IN WISCONSIN

by

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November 1984

## Preface

In the spring of 1984, the Wisconsin Assessment Center's Statewide Advisory Panel encouraged the Center to explore the status of employer-sponsored tuition reimbursement in Wisconsin. This benefit is available to many employed adults and some of the more than 45,000 adult students in the University of Wisconsin System. We were vaguely aware that some UW campuses had completed studies of nearby employers' policies on tuition reimbursement, but we knew little about how or when the studies were conducted or what they had revealed. Finding out about UW campus efforts and reviewing the previous research on tuition reimbursement were the purposes of this project.

We hope the information presented in this report will be of interest to universities considering a project or a study of employer-sponsored tuition reimbursement. The information about UW studies is based on telephone interviews with UW personnel. We would like to thank all of the UW Directors of Continuing Education at the four-year campuses and the Student Service directors at the two-year Centers, as well as their colleagues, who took time to talk with us.

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EMPLOYER-SPONSORED TUITION REIMBURSEMENT IN WISCONSIN

## I. INTRODUCTION

Tuition reimbursement plans of Wisconsin employers are of interest to UW campuses because many adult students in the UW System are employed and are both eligible and directed to update their competencies. Tuition reimbursement could be an important source of financial aid for current and prospective students who are employed by companies offering tuition reimbursement. Knowledge of employer-sponsored tuition reimbursement programs would help UW personnel advise adult students and arrange programs and services for businesses.

How many employers in Wisconsin offer tuition reimbursement to their employees? Which employees are eligible? What are the conditions for reimbursement? How might UW institutions use such information to improve services, course offerings, and information flow to employed adults? These are a few of the unanswered questions that prompted the Wisconsin Assessment Center to find out what is known about tuition reimbursement programs in Wisconsin.

A look at employer-sponsored tuition programs is especially timely because of the recent response to tax legislation passed as part of the Budget Deficit Reduction Act of 1984, which could have substantially limited employees' use of reimbursement plans. The new law would have required employees to pay taxes on tuition payments that their employers provide for them, unless the courses are strictly job-related (See "Adult Enrollment and Money for Student Loans Could be Hurt by Congress's New Tax Bill," Chronicle of Higher Education, July 11, 1984). In October 1984, less than six months after the Budget Deficit Reduction Act was passed, the tuition reimbursement tax law was repealed by Congress and the President, largely because of lobbying by higher

education and employers. Apparently, employees' participation in continuing education is important to higher education and to business and industry. So with tuition reimbursement prominent in the news, the Wisconsin Assessment Center undertook this review of research on employer-sponsored tuition reimbursement in the nation and in Wisconsin.

## II. PREVIOUS RESEARCH ON EMPLOYER-SPONSORED TUITION REIMBURSEMENT

Before considering the situation in Wisconsin, it was useful to review the published literature on the topic. Articles on tuition reimbursement fall into several types: reports of surveys of companies or unions, studies of employees' use of plans, benefit studies, and reports of efforts to increase employee use of tuition reimbursement.

### Surveys of Companies

Probably the most current and comprehensive study of corporate tuition-aid programs is O'Neill's (1984) survey of the Fortune 1000 companies. The survey found that nearly all of the 642 large companies (including thirteen in Wisconsin) that responded to his questionnaire offered tuition reimbursement. Their plans had certain characteristics in common, for instance, reimbursement after the employee completes the course with a satisfactory grade, although variations existed. One trend reported by O'Neill is a broadening of courses that are eligible for reimbursement, a change he attributes to a more liberalized 1978 tax law. In contrast to his 1979 study of the Fortune 500, O'Neill now reports that almost two-thirds of the Fortune 1000 companies reimburse employees for non-job related courses that are part of an approved degree program.

Another notable study of corporate tuition reimbursement is a Bureau of National Affairs survey of 141 personnel executives from various-sized corporations around the country (Miner, 1978). Similar to the O'Neill study, this survey reports that tuition aid plans are commonplace in the corporate world, although slightly more common in large companies and in manufacturing companies. Likewise, an American Management Society study (1979) reports 88% of the companies in their survey offered tuition aid.

Many regional studies of tuition plans of nearby employers have been conducted by colleges and universities. Meer's (1980) review of literature

discusses several studies conducted in the late 1960s and throughout the 1970s. Occasionally, reports of regional studies appear in the literature (e.g., Lidstrom, 1974; Crowell and Rudolph, 1982). A study conducted jointly by the College of New Rochelle (New York) and the College Entrance Examination Board (1983) is noteworthy because of its discussion of methodological problems of surveying employers about tuition reimbursement. Many of these regional efforts probably go unreported except to a local audience.

In short, tuition reimbursement is a common practice of corporations, and as Smith (1982) points out, ". . . we have a situation in which 80% of all establishments with over 500 employees have tuition-aid plans" (p. 319).

## Union Involvement

The National Institute for Work and Learning has explored tuition-aid plans negotiated by unions. They estimate that, as of 1977, approximately 1.6 million workers were covered by 198 different negotiated plans (Charner, Knox, LeBel, Levine, Russell & Shore, 1978). About 1 in 10 major private sector bargaining agreements contained tuition assistance provisions (Smith, 1982).

In general, tuition reimbursement plans negotiated by unions are similar to those offered by companies, i.e., they cover job-related coursework, non-job related coursework required for a degree, and coursework related to career advancement. About one-half of the union plans paid for noncredit courses (Charner et al., 1978). One of the most well-known and exemplary union plans, with an estimated 10% participation rate, is that of the American Federation of State, County and Municipal Employees' District Council 37 in New York (Shore, 1979; Stacey & Charner, 1982). The majority of participants are females in clerical and hospital positions of lower economic status.

## Student and Employee Use of Plans

Company-initiated tuition-aid plans are used by only a small percentage of

employees--from 3 to 5 percent of all eligible employees (Gold & Charner, 1983). Articles on union plans inevitably include a discussion of the low rate of use of negotiated plans, which are estimated to be used by only about 1%-3% of eligible workers (Barasch, 1981). In fact, the idea that tuition-aid benefits are underutilized pervades most of the literature. Tuition reimbursement plans are characterized as "hidden treasure" or the "untapped resource," and the potential for serving more adults with even a slight increase in the rate of use is a recurrent theme in articles written for a postsecondary education audience.

Looking at use from another angle, how many college students use the tuition-aid plan of their employer? One College Board publication on financial aid (College Entrance Examination Board, 1983) states that 21.5% of adult college students pay for their education with funds from an employer. Lidstrom (1975) found that only 8% of the 503 students in introductory business classes at Cuyahoga Community College were being reimbursed by an employer. For the most part, however, data on how many students (adults or younger) use employer tuition reimbursement are largely unavailable because college personnel do not routinely gather data showing which students plan to be reimbursed by an employer.

## Barriers to Employee Use

Several studies have explored the reasons for the low rate of employee participation. A study by the National Institute for Work and Learning found that worker perceptions of the barriers to participation were different from those perceived by company officials. Company officials in the survey thought that low worker interest in education was the major barrier, but workers in the survey cited several other barriers--lack of company encouragement, inadequate information about available courses, lack of adequate promotional or income incentives, inflexibility of work schedules, and restrictiveness of

course eligibility criteria. (Smith, 1982; Charner et al., 1978). Smith's study (1982) also found that one-third of the workers were unaware that a plan existed. Another National Institute for Work and Learning study identified five barriers to participation of union employees: (1) inadequate employee information about tuition-aid, (2) inadequate counseling of employees, (3) reimbursement rather than advance payment for courses (4) nonresponsiveness of postsecondary institutions to worker's needs, and (5) difficulty in getting courses approved (Stacey & Charner, 1982). In short, several College Board and National Institute for Work and Learning studies have concluded that, among pink and blue collar workers, lack of information is a major cause of low participation (Barasch, 1981).

However, in Abramovitz's (1978) survey of 1000 union members, lack of information was not a frequently cited barrier. Rather, the barriers cited most often were: inability to afford the costs of going to school (31%), preference for other activities (29%), fear of returning to school (26%), restriction to job-related courses (26%), uncertain educational interests (25%), the view that there is no benefit from more education (24%), paying costs in advance of reimbursement (24%), fatigue (24%), work schedules (22%), the view that education is no help on the job (20%), and other tuition-aid program factors (20%). Apparently, no single barrier was identified by a large majority of respondents. Nor was there a great deal of difference in responses of men and women employees about barriers. The study also reported that the greatest use of tuition-aid was by men, workers under 45, white workers, more educated workers, more skilled workers, and by higher paid workers. In other words, a strong relationship between socioeconomic status and use of tuition-aid was evident.

## Benefits of Tuition Reimbursement Programs

Is it worthwhile for a company to pay tuition for employees? Is it

worthwhile for an employee to participate in coursework? We found no quantitative cost benefit studies of tuition reimbursement. However, perceptions of users of tuition reimbursement programs have been examined. In a Milwaukee Personnel Department survey, Milwaukee city employees and supervisors were surveyed about perceived benefits and costs of their tuition reimbursement programs. Seventy-seven percent of the city employees who had taken courses felt that the city received at least a return on its investment from their participation and 54% felt the city received a benefit two to ten times the cost. Thirty percent of personnel in supervisory positions indicated that the city's benefit was more than double the cost of the programs (Milwaukee Personnel Department Training Unit, 1977).

Another study (Watson & Grzybowski, 1975) found that 92 percent of the 300 larger corporations surveyed said they benefited from having a tuition-aid plan. Of those, 52 percent said that employees who have used tuition-aid usually advance in their organizations more rapidly than others. These studies have concluded that tuition-aid programs are valuable for an organization and well worth the cost.

Stevens (1981) and Kaimann and Robey (1976) are skeptical of that optimistic conclusion. Stevens suggests that employees may leave the company when they do not receive their anticipated reward for their coursework or completed degree. He mentions hidden costs, such as the employee getting secretarial help in typing papers, taking time off for exams, or decreased productivity due to long hours of study. Kaimann and Robey (1976) cite the indirect costs in questioning the value of tuition aid for Master of Business Administration coursework. While these articles do not present any empirical evidence, they do raise the specter of undesirable impacts upon the employer.

## Efforts to Increase Employee Participation

The low rate of participation has prompted efforts to increase employee

use of tuition aid. Some of these efforts have centered on union employees and have involved a collaborative effort by a union and an agency such as the National Institute for Work and Learning or the College Board. In 1979, the College Board established a tuition refund plan advisory program to counsel union employees of Mack Truck, Inc. about their opportunities (College Entrance Examination Board, 1979). Although counseled employees were enthusiastic about the program and the majority said they planned to use tuition aid within the next year, the project was over before it could be determined whether increases in employee participation actually had occurred.

The National Institute for Work and Learning initiated three demonstration projects in the late 1970s in Connecticut, California, and Ohio. Two of the projects (in California and Ohio) were described as "problematic" and "not successful" by a senior staff member at the National Institute for Work and Learning.* The Connecticut demonstration project was "very successful" and has been continued. The employees were state clerical and maintenance workers. According to the National Institute of Work and Learning, the key variable was the training of peer counselors in the Connecticut project. No written reports have been issued on these demonstration projects.

Demonstration projects have generated several "action guides" and training manuals that could be used at other work sites. The National Institute for Work and Learning publication, Making Tuition Aid Work for You, effectively addresses several audiences at once and outlines specific steps that can be taken by postsecondary education, companies, or unions to increase employee use of tuition aid, (Rogers & Shore, 1980). See Appendix A for suggestions to postsecondary educators. The College Board publication, Linking the Workers to Post Secondary Education, is a manual for training "study organizers"--

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*Telephone conversation with Gerard Gold, October 26, 1984.

workers who counsel other workers about tuition refund and educational opportunities (Schmelter, 1980). The manual contains 11 "lesson plans," complete with suggested handout materials and activities.

Probably the most well-known company effort to increase use of tuition aid is that of Kimberly Clark Corporation in Wisconsin. This company liberalized and expanded their rather typical tuition-aid plan in the early 1970's and increased the rate of participation from 1% to over 30% (Rosow, 1979). Case studies of the plans at Kimberly Clark (Rosow, 1979) and the Polaroid Corporation (Knox, 1979) have been widely disseminated by the National Institute for Work and Learning, as models for other companies.

In sum, efforts to increase employee use of tuition aid have come from several sources with varying degrees of success. Abramovitz's (1978) study concluded that "increasing tuition-aid program use is complex; this study suggests that major policy changes and significant costs in time, money, and effort would be involved" (p. 13). Yet the National Institute for Work and Learning, probably the leader in this area, remains optimistic about the potential for change. As Willard Wirtz has said: "Worker education, including tuition-assistance as part of its curriculum, could be as important a development in the 1980's as the community colleges were in the 1960s--or even as the land grant colleges were a century ago" (Wirtz, 1979, p.31).

## III. SURVEY OF UNIVERSITY OF WISCONSIN CONTINUING EDUCATION AND STUDENT SERVICE DIRECTORS

Although sparse, past research reveals something about tuition reimbursement plans in general or in other regions of the country. However, we wanted to find out more about employer tuition reimbursement plans in Wisconsin. Have surveys of Wisconsin employers been conducted? If so, what have these studies revealed? No Wisconsin surveys appeared in the usual sources consulted in a literature search. Telephone calls placed to the Wisconsin Board of Vocational, Technical and Adult Education and to the Wisconsin Higher Educational Aids Board uncovered no such surveys. Apparently, no statewide study of tuition reimbursement plans of Wisconsin employers has been conducted.

It seemed possible that local studies might have been conducted and not published. Therefore, we decided to do telephone interviews with University of Wisconsin personnel likely to know of such surveys of employers in Wisconsin. The purpose of the interviews was to discover what information about tuition reimbursement exists and to assess interest in further exploring the tuition reimbursement area.

### Method

For the telephone survey, we determined that the Continuing Education directors on the four-year campuses would most likely know of information on tuition reimbursement and whether studies had been done. We were advised by UW Center administrators in Madison that on the two-year campuses the Student Services directors would know of these efforts. Each of the 26 campuses in the UW System was telephoned. Occasionally, our initial contacts recommended that we also speak with someone else on their campus, which we did.

Before the telephone call, each director received a letter explaining the type of information we were seeking and why. All interviews were completed by

either Carol Mishler or Jim Augustin in early October, 1984.

An interview schedule (Appendix B) was used. It asked for detailed information about any survey concerning tuition reimbursement plans of local employers that may have been conducted at the respondent's campus. Respondents at all the campuses were asked the last six questions which dealt with interest in a future project on tuition reimbursement.

## Results

Of the twenty-six campuses surveyed, six had done formal surveys of their local employers to discover tuition reimbursement plans: UW-Madison, UW-Oshkosh, UW-Parkside, UW-Green Bay, UWC-Manitowoc County, and UWC-Sheboygan. Twenty UW campuses had made no formal survey, but several of the directors had some information about tuition reimbursement offered by selected employers in their area. Profiles of the studies conducted by the six campuses are presented in the following pages. The percentage of adult students used in the profile is based on the number of students aged 25 and over, as reported in UW System Statistics, Fall 1983.

The profiles presented show the approaches six UW campuses have used to get information about employers' tuition reimbursement policies. In the interviews with the Continuing Education or Student Service directors at these campuses, we learned that none has any plans to update the tuition reimbursement information. Nor did any campus publicly release the information on characteristics of the tuition reimbursement plans of individual employers, primarily because employers were reluctant to have this done. However, most of the employers consented to university staff use of the information in counseling individual students.

UW-GREEN BAY

Purpose of Study: 1. to learn about the tuition reimbursement policies of area employers so that adult students and prospective students could be more effectively advised 2. to assess local businesses' interest in services to adults offered by UW-Green Bay

Conducted by: Office of Adult Services
UW-Green Bay
Green Bay, WI 54301

Date Completed: 1984

Procedure: A mailing list of selected local employers was obtained from the UW-Green Bay Placement Office. Two-hundred and fifty employers, with total number of employees ranging from very small (less than 10) to very large (several thousand), were surveyed with a mailed questionnaire. Seventeen questions solicited information on tuition reimbursement policies. The questionnaire also asked employers about their awareness and desire for information about services for adults offered by UW-Green Bay. No follow-up was conducted.

Response Rate: 79 employers (32%)

Results: The majority of companies (80%) offered tuition reimbursement. Characteristics of these plans are typical: courses must be related to the employee's current position (65%) or future position (52%). A small percentage (11.4%) offered tuition money "up front" at the time of registration. About half of the companies (54%) made tuition reimbursement available to all employees, while 30% offered it only to salaried employees. Approximately 8.7% of eligible employees (across all employer sites responding) participate each year. Seventy-one percent of the companies gave permission to use information they provided in counseling individual students.

Use: Findings on tuition reimbursement were summarized and reported in Liaison Letter, a newsletter sent to local businesses. Information on UW-Green Bay services for adults was mailed to employers who requested it. A handbook describing policies of individual companies was developed for use by the Adult Services staff in counseling adult students.

Reference: Tuition Reimbursement Survey Results Released. Liaison Letter, Volume 1, Number 1, July 1984. 2 pages.

Comments: Findings were similar to those of other tuition reimbursement surveys. It is difficult to determine to what, if any, groups these results can be generalized because the employer sample was not selected randomly or according to any specific criteria. UW-Green Bay's enrollment is 34% adult students.

UW-MADISON

Purpose of Study: to learn more about the educational assistance policies of the major employers in the city of Madison

Conducted by: Madison Area Continuing Education Council
UW-Madison
Madison, WI 53706

Date Completed: 1979

Procedure: Personal interviews were conducted with the 17 Madison area employers with 500 or more employees. Original plans also called for a mail survey of employers with 50 or more employees, but this survey was never carried out. Employers in the public sector, manufacturing, retailing, medical and financial fields were among the 17 interviewed.

Response Rate: 17 employers (100%)

Results: Tuition reimbursement or remission was available for public employees and for those working in medical centers, financial institutions, and manufacturing. Tuition for job-related courses, both credit and noncredit, was covered. The retail field, with its high proportion of part-time employees, offered fewer opportunities for tuition reimbursement for outside course work. Few had formalized release time policies.

Use: Institutions used the information primarily in educational and financial aid counseling of employed adult students. The report was circulated to members of the Madison Area Continuing Education Council (composed of representatives from area postsecondary institutions, community organizations, and employer-training offices) . Following the survey, a one-day conference on educational assistance was sponsored by the Council for area employers. The Council complied with the expressed wishes of some employers who did not want details of their tuition/reimbursement policies and other information on employer education/training released for public use.

Reference: Madison Area Continuing Education Council. Survey of Madison Employers. Obtained from Margaret Geisler, Division of University Outreach, 358 Bascom Hall, UW-Madison, Madison, WI 53706.

Comments: The study did not attempt to summarize findings except very generally in a one-and-a-half page statement. Instead, effort was put into reporting the details of each employer's continuing education policies and programs so that the data would be useful to counselors. Each employer's tuition reimbursement plan is described. The interviews also explored in-service training offered by employers. Sixteen percent of UW-Madison's undergraduates are adult students.

UW-OSHKOSH

Purpose of Study: to explore continuing education opportunities for scientists and engineers employed by small industries in the northern three-fourths of Wisconsin, including the tuition reimbursement plans of such companies

Conducted by: Division of Continuing Education
UW-Oshkosh, Oshkosh, WI 54901

Date Completed: 1980

Procedure: Fifty-one industries with 500 employees or less and likely to employ scientists and engineers were initially selected. Thirty-one agreed to participate in the study. All were located in the northern three-fourths of Wisconsin. For the part of the study concerned with tuition reimbursement plans, each corporation president was asked to have an executive familiar with company policies complete a questionnaire specifiying reimbursement policies and budget allocations for employees' continuing participation.

Response Rate: 30 employers (97%)

Results: One-third of the companies provided total reimbursement, another third provided partial reimbursement, and another third provided no reimbursement for their employees' participation in credit courses. Company support for noncredit courses was about the same as for credit courses. Almost all (90%) of the companies paid their employees fees for workshops, seminars and conferences.

Use: The data were summarized and reported to the National Science Foundation, which funded the study.

Reference: Adams, W. Sam. Final NSF Report: Assessment of Scientists'/Engineers' Continuing Education Needs in Small, Geographically-Dispersed Industries. April 1980. 76 pages.

Comments: Information on tuition reimbursement was collected as part of a study of a small and select group of employers in a large geographic area. Because of the unique characteristics of the employers--small manufacturing firms employing engineers and scientists--it is difficult to generalize findings to other types of employers.

Interestingly, the study found that only 10% of top managers perceived tuition reimbursement as an incentive for employee participation in continuing education. The study also found that "most industrial employees participate in continuing education provided by non-educational institutions. However, in the future, respondents wanted postsecondary institutions, especially UW institutions, to provide a larger share of continuing education" (p. ii).

Seventeen percent of UW-Oshkosh's undergraduates are adult students.

UW-PARKSIDE

Purposes of Study: 1. to gather information about tuition reimbursement programs 2. to learn how information about education is disseminated to employees 3. to determine what types of information respondents would like to see in the Community Student Service's newsletter to businesses

Conducted by: Community Student Services
UW-Parkside Box 2000
Kenosha, WI 53141

Date Completed: 1982

Procedure: Questionnaires were mailed to 91 businesses in southeastern Wisconsin and northeastern Illinois (Lake County) with 200 or more employees. A telephone follow-up was conducted.

Response Rate: 65 employers (71%)

Results: Only one of the 65 companies responding did not provide tuition reimbursement. The majority (84%) provided it for both salaried and hourly employees, while a small percentage (16%) offered it only to salaried employees. Participation rates varied from 1% to 22%, with an average of 6%. For most employers, eligible courses had to be related to the employee's current position (66%), future position (75%), or be any part of a degree program (63%). A specific grade was usually required. Many companies (67%) also covered books and supplies. Although most companies (69%) reported that information on tuition reimbursement was given as a part of new employee orientation, 39% indicated that information was not generally posted. When asked if their tuition reimbursement information could be listed in a resource notebook for UW-Parkside staff use, 74% of the companies said yes.

Use: Results were summarized in a Liaison Newsletter sent to 1100 employers, including those who had participated in the survey. Because a number of employers did not want information on their tuition reimbursement programs released to the public, the information was not published. It was used by UW-Parkside staff in counseling individual students.

Reference: Schneider, Wendi. Tuition Reimbursement Survey Report. Liaison Newsletter, 1982. Published by Community Student Services, UW-Parkside. 10 pages.

Comments: This survey was undertaken because of UW-Parkside's high percentage (35%) of adult students. Data were thoroughly summarized in the ten page report, which shows a breakdown of employer response by two geographic areas. Results are very consistent with findings of national surveys. The Community Student Services Office has identified several questions for further study: what benefits employers expect and get from their tuition reimbursement plans and why more employees don't use the plan.

UWC-MANITOWOC COUNTY

Purpose of Study: 1. to find out which employers offer financial aid to employees 2. to learn whether companies encourage their employees to use their educational benefits 3. to learn whether employers would allow their company name to be used in advertisements about employee benefits 4. to assess employers' interest in attending a workshop concerning services of local higher education units in the county

Conducted by: Manitowoc Area Chamber of Commerce
Manitowoc, Wisconsin 54220

Date Completed: 1979

Procedures: The Manitowoc Area Chamber of Commerce surveyed their 220 members with a mail survey. The members were asked four questions. The UWC Manitowoc County Dean's office analyzed the data.

Response Rate: 115 employers (53%)

Results: Seventy-one percent of the employers indicated that they offered financial assistance to their employees who wanted more education. The majority (75%) said they encouraged their employees to use their higher education training benefits. Only 42% of the employers agreed to having their name used in an advertisement as a local employer offering financial aid benefits for employees. Forty-three percent of the employers (or 49 companies) were interested in attending a workshop on services of higher education in Manitowoc County.

Use: Not much was done after completing the study because most employers did not want their names to appear in promotional advertising.

Reference: Chamber of Commerce Survey. Obtained from UWC-Manitowoc County. 7 pages.

Comments: Since only four "yes or no" questions were asked of employers, this study did not uncover specific details of tuition reimbursement policies. In fact, the term tuition reimbursement was never used in the questionnaire. A unique approach was used in that the Chamber of Commerce covered the cost of printing, mailing and developing the questionnaire, while the initiative for the study and the tabulation of results were provided by the UW Center campus.

DISSERTATION CONDUCTED IN UWC-SHEBOYGAN COUNTY SERVICE AREA

Purpose of Study: to examine factors that influence the scope and nature of employec education in the private sector

Conducted by: Dale E. Borer
Continuing Education Program Administrator
University of Wisconsin-Extension
Sheboygan, WI 53081

Date Completed: 1983

Procedure: Case studies of the eight largest organizations (500 or more employees) in the Sheboygan area were conducted. A set of employee education issues was explored during personal interviews with educational coordinators and trainers at each site. The interviews followed a flexible outline rather than a structured list of standardized questions. Among the issues discussed was the use of community educational resources, including local postsecondary institutions.

Results: On the issue of community educational resources, six employers reported using the local technical school in programming educational activities, six used the four-year private college, and two used course offerings at the University of Wisconsin Center in Sheboygan. All companies knew about UW-Extension programs and six subsidize tuition for credit and noncredit courses at colleges in the state, if normal eligibility requirements are met. Details of company plans are described. All eight employers had substantial in-house education and training programs to meet unique training needs.

Use: Results have been used by the UW-Extension Continuing Education Program Administrator in planning credit and noncredit educational programs to meet the needs of Sheboygan area employers.

Reference: Borer, Dale E. Educational Programs in the Private Sector: A Descriptive Study of Business and Industry's Approach to Employee Education. Unpublished doctoral dissertation: University of Wisconsin-Madison, 1983. 208 pages.

Comments: Tuition reimbursement was not the principle interest of this research. However, the study provides an interesting glimpse into the structure and activities of in-house employee education at the eight companies. Although the study was not initiated, conducted, or reported by UWC-Sheboygan staff, it has been included here because the information was collected from employers in the UWC-Sheboygan service area.

## Need and Interest in Future Studies

All respondents, whether or not they had completed a formal study, answered items 16-21 on our interview schedule. These questions dealt with whether and how information from a tuition reimbursement survey would be used on their campus, the problems associated with such a survey, and their level of interest in participating in a future project on tuition reimbursement plans of Wisconsin employees.

Table 1 summarizes the directors' responses to "would (new) information from a tuition reimbursement survey of employers be used on your campus? How?" The most commonly mentioned use was for passing the information on to adult students, both current and prospective. Some directors suggested that tuition reimbursement information could be used in mailings to students, or, if possible, to employees of particular companies. Another believed the information would be used by financial aid advisors and admissions officers in advising adults about their options. Others cited recruitment uses.

The second most frequently mentioned use had to do with building a better relationship with business and industry. Collecting information which could stimulate business and industry to establish new tuition-aid programs or expand existing ones was also cited by several directors.

TABLE 1
USES OF INFORMATION ON TUITION REIMBURSEMENT

| Use | Frequency of Response * |
|---|---|
| Giving information to adult students, prospective and current | 13 |
| Building a better relationship with with business and industry | 8 |
| Stimulating business and industry tuition aid programs | 4 |
| Planning and decision making | 2 |
| Unsure of use | 2 |
| Not of much use | 2 |
| Enhancing career decision making of students | 1 |
| Developing career planning services for smaller companies | 1 |

*Column adds up to more than 26 because some directors mentioned more than one use.

We also asked respondents what problems would be associated with a survey of employers to determine tuition reimbursement policies on their campus or in their community. Table 2 summarizes the potential problems cited by respondents. Generally, they fell into one of two types: a) methodological problems in collecting information, and b) problems in using the results.

TABLE 2
PROBLEMS ASSOCIATED WITH TUITION REIMBURSEMENT SURVEY

| Problem | Frequency of Response |
|---|---|
| Methodological Problems | |
| Approaching employers effectively | 6 |
| Selecting employers to survey | 6 |
| Lack local resources to carry out survey | 5 |
| Getting a good return rate, response | 3 |
| Targeting appropriate respondent within company | 2 |
| Developing an instrument | 2 |
| Lack of appropriate companies to survey in surrounding area | 2 |
| Difficulty of making sure of local campus identification if survey is statewide | 1 |
| Using Results | |
| May have to keep results confidential | 2 |
| May not be able to get mail lists or other access to employees in order to give them information | 2 |
| May duplicate information already possessed | 2 |
| Difficult to update the information | 1 |
| Believe few tuition programs would cover lower-level courses at two-year campuses | 1 |
| Lack evening classes for adults | 1 |
| Information could be used to the advantage of competing institutions | 1 |
| Campus has small number of adult students | 1 |
| None or can't think of any | 5 |

Several respondents were concerned that employers not be turned off by a "pushy" approach: "proceed with caution due to sensitivity of employers about having education promoted," or "need to be careful in approach to employers, spell out intentions, and assure them their plan will not be released publicly." Another commented: "We don't want to look stupid with employers,"

meaning that it would make no sense to survey an employer whose employees were already using tuition reimbursement in a program at the local campus. There was also some concern about employers "being hit" with too many questionnaires.

Several respondents commented that they didn't have the local resources to carry out a survey of employers. Some referred to lacking the staff to do the work, or the expertise to know where to begin, or the money to cover expenses associated with a survey.

Selecting employers to survey was frequently mentioned as a problem. It was perceived as a problem particularly by: a) a campus located in a heavily populated area where it would be necessary to sample employers because all of them could not be surveyed and b) campuses whose service areas extend beyond state lines. Other possible problems are listed in Table 2.

Finally, the directors were asked how interested they would be in participating in a future Wisconsin Assessment Center project on tuition reimbursement plans of Wisconsin employers. Their answers were judgmentally placed into the categories shown in Table 3. Most had moderate or high interest in pursuing a project in this area.

TABLE 3
LEVEL OF INTEREST IN PARTICIPATING IN
FUTURE PROJECT ON TUITION REIMBURSEMENT

| Level | Responses N=26 |
|---|---|
| High | 11 |
| Moderate | 6 |
| Low | 5 |
| It depends | 4 |

Interestingly, most of the six directors whose campuses had already completed surveys of local employers expressed interest in a future project.

Some mentioned the desire to update their information, especially in light of recent tax laws and economic changes. One respondent was interested in a survey of employees to find out why more of them aren't using their tuition reimbursement benefits. Many of the directors whose campuses had not done a survey were "very, very, very interested," would "love to have the information," or would be "happy to participate in any way."

Four directors said their level of interest would depend on how the study was done. One expressed a preference for a statewide (as opposed to local) survey. Another preferred interviews rather than a mail survey. A third would be interested if the survey explored the education/training needs of employers and their interest in media courses. The fourth director said the level of interest would depend on the amount of work required of local personnel.

The five directors who expressed a relatively low interest in further exploration of tuition reimbursement did so for what would seem to be sensible reasons. Either the campus was located in a rural area and had few industries nearby or the campus served few adult students--or both. Overall, there was a good deal of interest in pursuing some type of project on tuition reimbursement.

## IV. SUMMARY AND CONCLUSIONS

In two months, we have completed an exhaustive literature search, conversations with state and national experts, and telephone interviews with twenty-six UW directors of continuing education or student services plus the colleagues they recommended. What we have learned is summarized as follows:

1. The literature on tuition reimbursement, while not expansive, establishes that employer tuition reimbursement is a widespread practice among large companies, but taken advantage of by a small percentage of employees.

2. No statewide study of tuition reimbursement plans of Wisconsin employers could be located.

3. Lack of information about tuition reimbursement, along with the usual educational barriers faced by adults, is believed to be a major barrier to employee participation.

4. Efforts of unions to increase worker participation in tuition-aid plans have met with mixed success.

5. Six of twenty-six UW campuses have formally surveyed employers about tuition reimbursement.

6. Interest in tuition reimbursement information was generally high among the directors, with seventeen of twenty-six expressing an interest in participating in a future project on the subject.

7. Most directors see the major uses of information to be in advising and recruiting, in building a relationship with business, and in planning. Many who were enthusiastic had difficulty articulating how the information would be (or was) used.

8. Selecting and approaching employers and the campuses' limited local resources were the two most often mentioned problems directors identified with a potential survey on tuition reimbursement.

9. The six surveys that have been done were generally successful in getting employers to participate in interviews or respond to questionnaires about tuition reimbursement, but employers were reluctant to have information released publicly.

10. While these six surveys exhibited a variety of strengths and weaknesses, no one study can adequately serve as a comprehensive model for other university campuses.

What implications do these findings have for future research or development projects? Careful examination of the literature and interviews with University of Wisconsin personnel reveal that interest in the area of

tuition reimbursement is high among postsecondary educators. We interpret this interest to be principally based on their desire to a) attract more employed adult students and b) build a better relationship with business and industry. Now would seem to be a good time to build on this enthusiasm and interest. We offer the following ideas for action or further study that seem to arise out of our review of the literature and interviews with UW campus personnel.

1. The information presented in this report may aid individual campuses in initiating tuition reimbursement surveys of employers in their service areas. The studies completed in six UW campus service areas possess a variety of strengths and weaknesses, and review of these efforts should be very instructional to those at campuses which proceed with employer surveys. Individuals at the six campuses possess experience in approaching employers, designing interview schedules and questionnaires, and using the information obtained.

   Given what we have interpreted as the principal reasons underlying interest in tuition reimbursement, it would seem highly desirable that future studies by individual campuses probe employers about areas beyond the details of tuition reimbursement policies. Expanding the scope of a study should enhance its usefulness and jointly benefit both businesses and postsecondary education.

2. Some of the facets of business-university relationships probably transcend the concerns of one or two campuses. A statewide study of Wisconsin employers could be undertaken with the goal of learning more about what prevents greater employee use of the University of Wisconsin for education and training. A statewide research effort could also collect information on topics such as specific business and industry training needs, attitudes and policies regarding use of the

university as an employee education resource, and awareness of university offerings. This study would provide information with a broad appeal for both UW campuses and Wisconsin employers.

Another method of exploring the above topics would be through a statewide or regional conference involving employers and university personnel. Such a conference could be sponsored by the UW System or by a consortium of UW campuses.

3. Although the literature contains estimates of how many employed adults are eligible for tuition reimbursement, the literature provides virtually no information on the extent of adult students' use of tuition reimbursement as a means of paying college costs. From our interviews, we learned that no UW campuses have systematically studied or kept records on students who are reimbursed for tuition by their employers. Research could be done to determine how adult students are making use of various types of financial aid, including tuition reimbursement. Institutions could gather such information at registration or admission. If a substantial number of students using employer tuition aid were discovered, a more detailed investigation of this group could generate information that could be used to attract and serve more employees eligible for tuition reimbursement.

4. Past studies, including two done in Wisconsin, have revealed that a small percentage of employees eligible for tuition reimbursement actually take courses. What is the potential for increasing the rate of participation? A study of the barriers to employee participation could be conducted, perhaps focusing on white-collar employees who already have some college credits. Past studies of barriers have primarily surveyed blue-collar workers and/or union members. Information gained in such a survey or interview

project could identify perceived institutional barriers preventing employees from enrolling for courses and would have implications for recruiting.

5. From the literature on tuition reimbursement, it is clear that labor unions are interested in promoting their members' use of educational opportunities obtained through contract negotiations. None of the six UW surveys on tuition reimbursement had involved labor unions. Unions in Wisconsin could be surveyed about a number of issues related to tuition aid and could be included in future efforts to increase use of tuition reimbursement.

6. Demonstration projects such as those associated with the National Institute for Work and Learning (Barasch, 1981) could be further studied and replicated or modified. Projects would require collaboration of local employers, one or more postsecondary institutions, and, if past models are followed, unions. Grants could be explored as a source of support for innovative projects.

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## APPENDIX A

### Suggestions for Postsecondary Education

The following suggestions for increasing employees' use of tuition aid plans were made to postsecondary educators in Making Tuition Aid Work for You (Items 1-5) and in the 1978 Abramovitz study (Items 6-9).

1. Draw employers' attention to testimony of business and industry executives who are pleased sponsors of tuition aid or arrange a meeting of employers.

2. Become familiar with tuition aid options so you can suggest alternatives to companies, e.g., loan system or tuition advance instead of reimbursement.

3. Discuss making institutional changes that could help employed adults, e.g., mail-in registration, revising payment procedures, rescheduling or relocating classes, setting up study skills or brush-up courses.

4. Find out why employees haven't taken courses from conversations with union leaders.

5. Develop working relationship with union leaders--attend their meetings, submit articles to their newsletter, post announcements in union hall, mail out course catalogues and schedules, and work with unions to publicize tuition aid plan and streamline procedures that hamper employee use of benefits.

6. Invite direct tuition payments from companies.

7. Become familiar with tuition-aid programs for which financial aid applicants might be eligible.

8. Assist applicants in exploring tuition-aid benefits.

9. Organize a corps of tuition-aid plan users who would share with other employees their experiences with tuition aid and educational institutions, and act as program recruiters.

APPENDIX B

Date _____ Respondent's Title _____

Campus _____ Interviewer _____

Respondent _____ Phone _____

Interview Schedule

UW Campus Studies of Tuition Reimbursement Plans

Are you aware of any studies of tuition reimbursement plans of Wisconsin employers that have been done at your campus?

If No, go to #16
If Yes:

1. When was the study completed? _____
2. What office conducted it? _____
3. What was its purpose?

_____

_____

_____

4. What was the geographic scope?

_____

_____

_____

5. How were the employer lists obtained? From whom?

_____

_____

_____

6. Were unions included? _____
7. What was the sample size? _____
8. What was the response rate? _____

9. How was follow-up conducted?

10. Are a report and survey instrument available? Could we have a copy? _____

11. Who received the report? Where are copies kept?

12. Are employers' written policies kept on file? Where?

13. What access do students have to information about employer plans?

14. Has there been any follow-up or evaluation concerning the impact of the study?

15. Are there any plans to update the information?

16. Is there anyone else on your campus we should contact who might be aware of a tuition reimbursement study of any kind, e.g. employer surveys, student surveys, etc.?

17. Would (new) information from a tuition reimbursement survey of employers be used on your campus? How?

18. What problems would be associated with a study like this on your campus or in your community?

19. What university office(s) would be involved?

20. Does your campus keep any (other) records concerning tuition reimbursement plans of employers or of students receiving reimbursement?

21. What level of interest would your office have in participating in a future Wisconsin Assessment Center project on tuition reimbursement plans of Wisconsin employers?